



RECORDATION NO. 9170-A Filed 1425

APR 28 1980 - 9 35 AM

Cathy M. Skelton
Assistant Vice President
Commercial Department

4/23/80

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th & Constitution Avenue
Room 1227
Washington, D.C.
20423

No. 0-119A020

Date APR 28 1980

Fee \$ 25.00

ICC Washington, D. C.

Dear Sir(s):

Per your request, I am including recordation numbers and a cashier's check in the amount of \$25.00.

This is to inform you that Houston National Bank releases all lien and title to the following railroad cars:

I. Ten Covered Hopper Railroad cars, 4,750 cu. ft. capacity railroad cars, registration #LAMX-4700, 4701, 4702, 4703, 4704, 4705, 4706, 4707, 4708, and 4709, and all additions and accessions thereto, rentals and profits therefrom, all accounts chattel paper and general intangibles with respect thereto and proceeds thereto, including without limitation all right, title and interest of Debtor in and to that certain lease agreement between Debtor and Dresser Industries, dated November 16, 1979 and all right to receive and collect all rentals, liquidated damages, proceeds of sale, all per diem mileage or payments now or hereafter to become payable under such lease or with respect to such equipment. Recordation number is 11331, filed January 7, 1980.

II. All right, title and interest of Debtor in and to those four (4) certain 34,000 gallon nominal capacity tank cars, DOT105A300W, non-coiled and insulated; 100-ton roller-bearing trucks, registration numbers LAMX 0001, 0002, 0003, and 0004, and all additions and accessions thereto, rentals and profits therefrom, and accounts chattel paper and general intangibles with respect thereto and proceeds thereof including, without limitation all right, title and interest. Recordation number is 9170, filed January 9, 1978.

If you have any questions, please feel free to contact me.

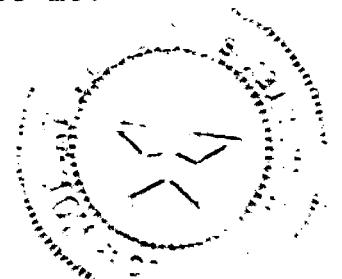
Sincerely,

Cathy M. Skelton

Cathy M. Skelton

CMS/dg

REC'D OPERATION BR.
I.C.C.
APR 28 9 03 AM '80



SHIRLEY ORTIZ
Notary Public in Harris County, Texas
My Commission Expires 12-21-81

9171-4
RECORDATION NO. Filed & Recorded

JAN 10 1978 -9 25 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of March 29, 1977 by MIDDLETOWN &
NEW JERSEY RAILWAY CO., INC. (debtor) in favor of PICKENS RAILROAD
COMPANY (Pickens).

W I T N E S S E T H :

WHEREAS, pursuant to the terms of that certain lease agreement
with PICKENS RAILROAD COMPANY dated of even date herewith, debtor
agreed to lease from Pickens certain 70 ton fifty-foot boxcars as
described in Exhibit A attached hereto.

WHEREAS, debtor desires to give Pickens a security interest
in certain collateral hereafter described in order to secure the
obligations of debtor under said lease agreement.

NOW, THEREFORE, debtor hereby agrees as follows:

1. Creation of Security Interest. In order to better secure
the obligations of debtor to Pickens now existing or
hereafter arising under the terms of said lease agreement,
debtor hereby creates in favor of Pickens a security
interest in the collateral described in paragraph two
(2) immediately below.
2. Collateral. The collateral of this security agreement
is all lessee's right, title, and interest in and to
the contract rights, CHATTEL PAPER, accounts, rentals,
fees, charges, income and other proceeds arising from
or in connection with the use of the boxcars described
in Exhibit A.
3. Covenants. Debtor covenants and represents as follows:
(a) Debtor will warrant and defend the collateral against

the claims and demands of all persons.

- (b) Debtor shall execute alone, or with Pickens, a financing statement or other document or procure any document necessary to protect the security interest of Pickens against the interest of third persons.

4. Representations and warranties of debtor. Debtor represents and warrants as follows:

- (a) Debtor is a corporation legally incorporated validly existing and in good standing under the laws of the state of its incorporation, with adequate corporate powers to own its properties, to carry on its business as now conducted and to enter the security agreement and to execute and deliver said lease agreement to Pickens.
- (b) The lease and the security agreement have been duly authorized, executed and delivered by debtor and constitutes a legal, valid and binding obligations of debtor, enforceable in accordance with their terms.

5. Default. Any misrepresentation on this statement in connection with this agreement on the part of debtor or any noncompliance or nonperformance of debtor's obligations hereunder shall constitute a default. In addition, debtor shall be in default if any of the following events shall occur:

- (a) Failure to comply with the terms and conditions of said lease agreement.
- (b) The filing of a proceeding under any of the provisions of the Bankruptcy Act or any similar state law by or against debtor, or an applications for the appointment of a receiver of debtor's property, or the making of an assignment

for the benefit of creditors or the calling of a meeting of debtor's creditors or the attachment of any of debtor's property, or if debtors shall become insolvent.

6. Remedies and governing law. The terms of this agreement and all rights and obligations hereunder shall be governed by the laws of the state of New York. Upon breach hereunder or under the terms of said lease agreement, Pickens shall have all rights provided the secured party under the Interstate Commerce Act and under the uniform commercial code as adopted in New York.
7. Inspection of records. Pickens may at any reasonable time, enter upon debtors premises to inspect debtor's books and records pertaining to the collateral or its proceeds and debtor shall, if requested, in good faith assist Pickens in making such inspections.
8. Benefits. No promises, agreements, representations, or warranties, shall be binding upon Pickens unless made part of this agreement in writing. This agreement shall enure to the benefit of and by the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, debtor has executed this instrument on the day and year first above written.

MIDDLETOWN & NEW JERSEY RAILWAY CO., INC

BY:

Frederick Rasmussen
PRESIDENT AND GENERAL MANAGER

PICKENS RAILROAD COMPANY

BY:

John H. Rasmussen
Executive Vice President

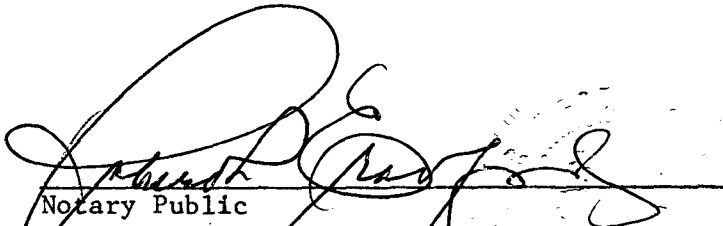
Charles P. Thibodeau
Asst. Sec.

Edith Shilling, Asst. Sec.

STATE OF: PENNSYLVANIA)

COUNTY OF: PHILADELPHIA)

On this 18th day of November, 19 77, before me personally appeared John H. Rees, to me personally known, who, being by me duly sworn, says that he is Executive Vice President of Pickens Railroad Company, and Charles P. Turnburke, to me personally known to be the Assistant Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public
My Commission Expires: ROBERT L. CRAWFORD
Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires February 18, 1978

STATE OF NEW YORK)

COUNTY OF ORANGE)

On this 20th day of April, 1977, before me personally appeared PIERRE T. RASMUSSEN, to me personally known, who, being by me duly sworn, says that he is the President of Middletown and New Jersey Railway Co., Inc., and Edith Shilling, to me personally known to be the Asst. Sec. Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

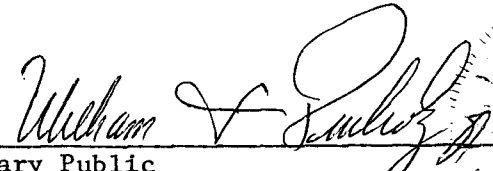

Notary Public
My Commission Expires: March 30, 1979

EXHIBIT A

DESCRIPTION OF CAR: 50 ft. XM General Purpose Boxcar

NUMBER OF CARS: Two Hundred Fifty

REPORTING NUMBERS AND MARKS: MNJ 120735 - 120984

TERM: Ten (10) years from the date of delivery and acceptance of each Boxcar covered by this Schedule.

SPECIFICATIONS DESIGNATED BY LESSEE:

Middletown & New Jersey Railway markings